

the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

“(3) OIL REMOVED FROM PROPERTY BEFORE SALE.—If crude oil is removed from the property before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

“(4) REFINING BEGUN ON PROPERTY.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the property—

“(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

“(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

“(5) PROPERTY.—The term ‘property’ has the meaning given such term by section 614.

“(C) ADJUSTED BASE PRICE DEFINED.—

“(1) IN GENERAL.—For purposes of this chapter, the term ‘adjusted base price’ means \$40 for each barrel of taxable crude oil plus an amount equal to—

“(A) such base price, multiplied by

“(B) the inflation adjustment for the calendar year in which the taxable crude oil is removed from the property.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

“(2) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—For purposes of paragraph (1), the inflation adjustment for any calendar year after 2006 is the percentage by which—

“(i) the implicit price deflator for the gross national product for the preceding calendar year, exceeds

“(ii) such deflator for the calendar year ending December 31, 2005.

“(B) FIRST REVISION OF PRICE DEFLATOR USED.—For purposes of subparagraph (A), the first revision of the price deflator shall be used.

“(d) QUALIFIED INVESTMENT.—For purposes of this chapter—

“(1) IN GENERAL.—The term ‘qualified investment’ means any amount paid or incurred with respect to—

“(A) section 263(c) costs,

“(B) qualified refinery property (as defined in section 179C(c) and determined without regard to any termination date),

“(C) any qualified facility described in paragraph (1), (2), (3), or (4) of section 45(d) (determined without regard to any placed in service date),

“(D) any facility for the production of alcohol used as a fuel (within the meaning of section 40) or biodiesel or agri-biodiesel used as a fuel (within the meaning of section 40A).

“(2) SECTION 263(C) COSTS.—For purposes of this subsection, the term ‘section 263(c) costs’ means intangible drilling and development costs incurred by the taxpayer which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this title (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

“SEC. 5898. SPECIAL RULES AND DEFINITIONS.

“(a) WITHHOLDING AND DEPOSIT OF TAX.—The Secretary shall provide such rules as are necessary for the withholding and deposit of the tax imposed under section 5896 on any taxable crude oil.

“(b) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 5896 shall keep such records, make such returns, and furnish such information (to the Secretary and to other persons having an interest in the taxable crude oil) with respect to such

oil as the Secretary may by regulations prescribe.

“(c) RETURN OF WINDFALL PROFIT TAX.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

“(d) DEFINITIONS.—For purposes of this chapter—

“(1) PRODUCER.—The term ‘producer’ means the holder of the economic interest with respect to the crude oil.

“(2) CRUDE OIL.—

“(A) IN GENERAL.—The term ‘crude oil’ includes crude oil condensates and natural gas-oil.

“(B) EXCLUSION OF NEWLY DISCOVERED OIL.—Such term shall not include any oil produced from a well drilled after the date of the enactment of this chapter, except with respect to any oil produced from a well drilled after such date on any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

“(3) BARREL.—The term ‘barrel’ means 42 United States gallons.

“(e) ADJUSTMENT OF REMOVAL PRICE.—In determining the removal price of oil from a property in the case of any transaction, the Secretary may adjust the removal price to reflect clearly the fair market value of oil removed.

“(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.

“(g) TERMINATION.—This section shall not apply to taxable crude oil removed after the date which is 3 years after the date of the enactment of this section.”

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL.”

(3) DEDUCTIBILITY OF WINDFALL PROFIT TAX.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

“(6) The windfall profit tax imposed by section 5896.”

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to crude oil removed after the date of the enactment of this Act, in taxable years ending after such date.

(B) TRANSITIONAL RULES.—For the period ending December 31, 2006, the Secretary of the Treasury or the Secretary’s delegate shall prescribe rules relating to the administration of chapter 56 of the Internal Revenue Code of 1986. To the extent provided in such rules, such rules shall supplement or supplant for such period the administrative provisions contained in chapter 56 of such Code (or in so much of subtitle F of such Code as relates to such chapter 56).

(b) ENERGY CONSUMER REBATE.—

(1) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

“SEC. 6430. ENERGY CONSUMER REBATE.

“(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for each taxable year beginning after December 31, 2005, in an amount equal to the lesser of—

“(1) the amount of the taxpayer’s liability for tax for such taxpayer’s preceding taxable year, or

“(2) the applicable amount.

“(b) LIABILITY FOR TAX.—For purposes of this section, the liability for tax for any taxable year shall be the excess (if any) of—

“(1) the sum of—

“(A) the taxpayer’s regular tax liability (within the meaning of section 26(b)) for the taxable year,

“(B) the tax imposed by section 55(a) with respect to such taxpayer for the taxable year, and

“(C) the taxpayer’s social security taxes (within the meaning of section 24(d)(2)) for the taxable year, over

“(2) the sum of the credits allowable under part IV of subchapter A of chapter 1 (other than the credits allowable under subpart C thereof, relating to refundable credits) for the taxable year.

“(c) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount for any taxpayer shall be determined by the Secretary not later than the date specified in subsection (d)(1) taking into account the number of such taxpayers and the amount of revenues in the Treasury resulting from the tax imposed by section 5896 for the calendar year preceding the taxable year.

“(d) DATE PAYMENT DEEMED MADE.—

“(1) IN GENERAL.—The payment provided by this section shall be deemed made on February 1 of the calendar year ending with or within the taxable year (July 1, in the case of calendar year 2006).

“(2) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in paragraph (1) not later than the date which is 30 days after the date specified in paragraph (1).

“(e) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

“(1) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins,

“(2) any estate or trust, or

“(3) any nonresident alien individual.”

(2) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period “, or from section 6430 of such Code”.

(3) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 6430. Energy consumer rebate.”

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

NOTICES OF INTENT

Mr. DORGAN. Mr. President, I submit the following notice in writing: In accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill H.R. 4939 amendment No. 3670. (The amendment is printed in today’s RECORD under “Text of amendments.”)

Mr. DOMENICI. Mr. President, I submit the following notice in writing: In accordance with Rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill H.R. 4939 the attached amendment, as follows:

On page 253, between lines 19 and 20, insert the following:

TITLE VIII—GAS TAX RELIEF AND REBATE **Subtitle A—Fuel Tax Holiday Rebate**

SEC. 8101. FUEL TAX HOLIDAY REBATE.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to rules of special application in the case of abatements, credits, and refunds) is amended by adding at the end the following new section:

“SEC. 6430. FUEL TAX HOLIDAY REBATE.

“(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for the taxable year beginning in 2006 in an amount equal to \$100.

“(b) REMITTANCE OF PAYMENT.—The Secretary shall remit to each taxpayer the payment described in subsection (a) not later than August 30, 2006.

“(c) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to—

“(1) any taxpayer who did not have any adjusted gross income for the preceding taxable year or whose adjusted gross income for such preceding taxable year exceeded the threshold amount (as determined under section 151(d)(3)(C) for such preceding taxable year),

“(2) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for the taxable year beginning in 2006,

“(3) any estate or trust, or

“(4) any nonresident alien individual.”.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period “, or from section 6430 of such Code”.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 6430. Fuel tax holiday rebate.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Price Gouging

SEC. 8201. SHORT TITLE.

This subtitle may be cited as the “Gasoline Consumer Anti-Price-Gouging Protection Act”.

SEC. 8202. PROTECTION OF CONSUMERS AGAINST PRICE GOUGING.

It is unlawful for any person to increase the price at which that person sells, or offers to sell, gasoline or petroleum distillates to the public (for purposes other than resale) in, or for use in, an area covered by an emergency proclamation by an unconscionable amount while the proclamation is in effect.

SEC. 8203. JUSTIFIABLE PRICE INCREASES.

(a) IN GENERAL.—The prohibition in section 8202 does not apply to the extent that the increase in the retail price of the gasoline or petroleum distillate is attributable to—

(1) an increase in the wholesale cost of gasoline and petroleum distillates for the region in which the area to which a proclamation under section 8202 applies is located;

(2) an increase in the replacement costs for gasoline or petroleum distillate sold;

(3) an increase in operational costs; or

(4) regional, national, or international market conditions.

(b) OTHER MITIGATING FACTORS.—In determining whether a violation of section 8202 has occurred, there also shall be taken into account, among other factors, the price that would reasonably equate supply and demand in a competitive and freely functioning market and whether the price at which the gasoline or petroleum distillate was sold reasonably reflects additional costs, not within the control of the seller, that were paid or incurred by the seller.

SEC. 8204. FEDERAL AND STATE PROCLAMATIONS.

(a) IN GENERAL.—For purposes of this subtitle—

(1) the President may issue an emergency proclamation for any area within the United States in which an abnormal market disruption has occurred or is reasonably expected to occur; and

(2) the chief executive officer of any State may issue an emergency proclamation for any such area within that State.

(b) SCOPE AND DURATION.—

(1) IN GENERAL.—An emergency proclamation issued under subsection (a) shall specify with particularity—

(A) the geographic area to which it applies;

(B) the period for which the proclamation applies; and

(C) the event, circumstance, or condition that is the reason such a proclamation is determined to be necessary.

(2) LIMITATIONS.—An emergency proclamation issued under subsection (a)—

(A) may not apply for a period of more than 30 consecutive days (renewable for a consecutive period of not more than 30 days); and

(B) may apply to a period of not more than 7 days preceding the occurrence of an event, circumstance, or condition that is the reason such a proclamation is determined to be necessary.

SEC. 8205. ENFORCEMENT BY FEDERAL TRADE COMMISSION.

(a) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—This subtitle shall be enforced by the Federal Trade Commission as if the violation of section 8202 were an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating this subtitle in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this subtitle. Any entity that violates any provision of this subtitle is subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this subtitle.

(c) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall prescribe such regulations as may be necessary or appropriate to implement this subtitle.

SEC. 8206. ENFORCEMENT BY STATES.

(a) IN GENERAL.—A State, as *parens patriae*, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of this subtitle, whenever the chief legal officer of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a violation of this subtitle or a regulation under this subtitle.

(b) NOTICE.—The State shall serve written notice to the Federal Trade Commission of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting such civil action.

(c) AUTHORITY TO INTERVENE.—Upon receiving the notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the chief legal officer of a State from exercising the powers conferred on that officer by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which the violation occurred;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission has instituted a civil action or an administrative action for violation of this subtitle, the chief legal officer of the State in which the violation occurred may not bring an action under this section during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this subtitle alleged in the complaint.

(g) ENFORCEMENT OF STATE LAW.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of such State.

SEC. 8207. PENALTIES.

(a) CIVIL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act any person who violates this subtitle is punishable by a civil penalty of—

(A) not more than \$500,000, in the case of an independent small business marketer of gasoline (within the meaning of section 324(c) of the Clean Air Act (42 U.S.C. 7625(c)); and

(B) not more than \$5,000,000 in the case of any other person.

(2) METHOD OF ASSESSMENT.—The penalty provided by paragraph (1) shall be assessed in the same manner as civil penalties imposed under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) MULTIPLE OFFENSES; MITIGATING FACTORS.—In assessing the penalty provided by subsection (a)—

(A) each day of a continuing violation shall be considered a separate violation; and

(B) the Commission shall take into consideration the seriousness of the violation and the efforts of the person committing the violation to remedy the harm caused by the violation in a timely manner.

(b) CRIMINAL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act, the violation of this subtitle is punishable by a fine of not more than \$1,000,000, imprisonment for not more than 2 years, or both.

(2) ENFORCEMENT.—The criminal penalty provided by paragraph (1) may be imposed only pursuant to a criminal action brought by the Attorney General or other officer of the Department of Justice, or any attorney specially appointed by the Attorney General

of the United States, in accordance with section 515 of title 28, United States Code.

SEC. 8208. DEFINITIONS.

In this subtitle:

(1) **ABNORMAL MARKET DISRUPTION.**—The term “abnormal market disruption” means there is a reasonable likelihood that, in the absence of a proclamation under section 8204(a), there will be an increase in the average retail price of gasoline or petroleum distillates in the area to which the proclamation applies as a result of a change in the market, whether actual or imminently threatened, resulting from weather, a natural disaster, strike, civil disorder, war, military action, a national or local emergency, or other similar cause, that adversely affects the availability or delivery gasoline or petroleum distillates.

(2) **STATE.**—The term “State” means the several States of the United States and the District of Columbia.

(3) **UNCONSCIONABLE AMOUNT.**—The term “unconscionable amount” means, with respect to any person to whom section 8202 applies, a significant increase in the price at which gasoline or petroleum distillates are sold or offered for sale by that person that increases the price, for the same grade of gasoline or petroleum distillate, to an amount that—

(A) substantially exceeds the average price at which gasoline or petroleum distillates were sold or offered for sale by that person during the 30-day period immediately preceding the sale or offer; and

(B) cannot be justified by taking into account the factors described in section —03(b).

SEC. 8209. EFFECTIVE DATE.

This subtitle shall take effect on the date on which a final rule issued by the Federal Trade Commission under section 8205(c) is published in the Federal Register.

Subtitle C—Tax Provisions

SEC. 8301. REPEAL OF THE LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN-BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.

(a) **IN GENERAL.**—Subsection (f) of section 30B of the Internal Revenue Code of 1986 is repealed.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendment made by section 1341(a) of the Energy Policy Act of 2005.

SEC. 8302. EXCEPTION FROM DEPRECIATION LIMITATION FOR CERTAIN ALTERNATIVE AND ELECTRIC PASSENGER AUTOMOBILES.

(a) **IN GENERAL.**—Paragraph (1) of section 280F(a) of the Internal Revenue Code of 1986 (relating to limitation) is amended by adding at the end the following new subparagraph:

“(D) **SPECIAL RULE FOR CERTAIN ALTERNATIVE MOTOR VEHICLES AND QUALIFIED ELECTRIC VEHICLES.**—Subparagraph (A) shall not apply to any motor vehicle for which a credit is allowable under section 30 or 30B.”.

(b) **CONFORMING AMENDMENT.**—Subparagraph (C) of section 280F(a)(1) of the Internal Revenue Code of 1986 is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 8303. EXTENSION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) **IN GENERAL.**—Section 179C(c)(1) of the Internal Revenue Code of 1986 (defining qualified refinery property) is amended—

(1) by striking “and before January 1, 2012” in subparagraph (B) and inserting “and, in the case of any qualified refinery described in subsection (d)(1), before January 1, 2012”, and

(2) by inserting “if described in subsection (d)(1)” after “of which” in subparagraph (F)(i).

(b) **CONFORMING AMENDMENT.**—Subsection (d) of section 179C of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) **QUALIFIED REFINERY.**—For purposes of this section, the term ‘qualified refinery’ means any refinery located in the United States which is designed to serve the primary purpose of processing liquid fuel from—

“(1) crude oil, or

“(2) qualified fuels (as defined in section 45K(c)).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the amendment made by section 1323(a) of the Energy Policy Act of 2005.

SEC. 8304. 5-YEAR AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR CERTAIN MAJOR INTEGRATED OIL COMPANIES.

(a) **IN GENERAL.**—Section 167(h) of the Internal Revenue Code of 1986 (relating to amortization of geological and geophysical expenditures) is amended by adding at the end the following new paragraph:

“(5) **SPECIAL RULE FOR MAJOR INTEGRATED OIL COMPANIES.**—

“(A) **IN GENERAL.**—In the case of an integrated oil company described in subparagraph (B), paragraphs (1) and (4) shall be applied by substituting ‘5-year’ for ‘24 month’.

“(B) **INTEGRATED OIL COMPANY DESCRIBED.**—An integrated oil company is described in this subparagraph if such company is an integrated oil company (as defined in section 291(b)(4)) which—

“(i) has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(ii) had gross receipts in excess of \$1,000,000,000 for its last taxable year ending during calendar year 2005, and

“(iii) has an ownership interest (within the meaning of section 613A(d)(3)) in crude oil refiner of 15 percent or more.

For purposes of the preceding sentence, all persons treated as a single employer under subsections (a) and (b) of section shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendment made by section 1329 of the Energy Policy Act of 2005.

SEC. 8305. REPEAL OF LIFO METHOD OF INVENTORY ACCOUNTING.

(a) **IN GENERAL.**—Sections 472, 473, and 474 of the Internal Revenue Code of 1986 are repealed.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 56(g)(4)(D)(iii) of such Code is repealed.

(2) Section 312(n)(4) of such Code is repealed.

(3) Section 1363(d) of such Code is repealed.

(c) **EFFECTIVE DATE.**—The repeals made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(d) **CHANGE IN METHOD OF ACCOUNTING.**—In the case of any taxpayer required by the repeals made by subsection (a) to change its method accounting for its first taxable year beginning after the date of the enactment of this Act—

(1) such change shall be treated as initiated by the taxpayer,

(2) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(3) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account

ratably over the 20-taxable year period beginning with the first taxable year beginning after such date of enactment.

Subtitle D—CAFE Standards

SEC. 8401. CLARIFICATION OF AUTHORITY OF SECRETARY OF TRANSPORTATION TO AMEND FUEL ECONOMY STANDARDS FOR PASSENGER VEHICLES.

Section 32902(c) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking “(1) Subject to paragraph (2) of this subsection, the” and inserting “The”; and

(2) by striking paragraph (2).

Subtitle E—Alternative Fuels

SEC. 8501. PRODUCTION INCENTIVES FOR CELLULOSE BIOFUELS.

Section 942(f) of the Energy Policy Act of 2005 (42 U.S.C. 16251(f)) is amended by striking “\$250,000,000” and inserting “\$150,000,000 for fiscal year 2007, \$200,000,000 for fiscal year 2008, and \$250,000,000 for each of fiscal years 2009 through 2011”.

SEC. 8502. ADVANCED ENERGY INITIATIVE FOR VEHICLES.

(a) **PURPOSES.**—The purposes of this section are—

(1) to enable and promote, in partnership with industry, comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles using diverse electric drive transportation technologies;

(2) to make critical public investments to help private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to expand the availability of the existing electric infrastructure for fueling light duty transportation and other on-road and nonroad vehicles that are using petroleum and are mobile sources of emissions—

(A) including the more than 3,000,000 reported units (such as electric forklifts, golf carts, and similar nonroad vehicles) in use on the date of enactment of this Act; and

(B) with the goal of enhancing the energy security of the United States, reduce dependence on imported oil, and reduce emissions through the expansion of grid-supported mobility;

(4) to accelerate the widespread commercialization of all types of electric drive vehicle technology into all sizes and applications of vehicles, including commercialization of plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles; and

(5) to improve the energy efficiency of and reduce the petroleum use in transportation.

(b) **DEFINITIONS.**—In this section:

(1) **BATTERY.**—The term “battery” means an energy storage device used in an on-road or nonroad vehicle powered in whole or in part using an off-board or on-board source of electricity.

(2) **ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.**—The term “electric drive transportation technology” means—

(A) a vehicle that—

(i) uses an electric motor for all or part of the motive power of the vehicle; and

(ii) may use off-board electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or

(B) equipment relating to transportation or mobile sources of air pollution that uses an electric motor to replace an internal combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.

(3) **ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.**—The term “engine dominant hybrid

electric vehicle" means an on-road or nonroad vehicle that—

(A) is propelled by an internal combustion engine or heat engine using—

(i) any combustible fuel; and
(ii) an on-board, rechargeable storage device; and

(B) has no means of using an off-board source of electricity.

(4) **FUEL CELL VEHICLE.**—The term "fuel cell vehicle" means an on-road or nonroad vehicle that uses a fuel cell (as defined in section 803 of the Energy Policy Act of 2005 (42 U.S.C. 16152)).

(5) **INITIATIVE.**—The term "Initiative" means the Advanced Battery Initiative established by the Secretary under subsection (f)(1).

(6) **NONROAD VEHICLE.**—The term "nonroad vehicle" has the meaning given the term in section 216 of the Clean Air Act (42 U.S.C. 7550).

(7) **PLUG-IN HYBRID ELECTRIC VEHICLE.**—The term "plug-in hybrid electric vehicle" means an on-road or nonroad vehicle that is propelled by an internal combustion engine or heat engine using—

(A) any combustible fuel;
(B) an on-board, rechargeable storage device; and
(C) a means of using an off-board source of electricity.

(8) **PLUG-IN HYBRID FUEL CELL VEHICLE.**—The term "plug-in hybrid fuel cell vehicle" means a fuel cell vehicle with a battery powered by an off-board source of electricity.

(9) **INDUSTRY ALLIANCE.**—The term "Industry Alliance" means the entity selected by the Secretary under subsection (f)(2).

(10) **INSTITUTION OF HIGHER EDUCATION.**—The term "institution of higher education" has the meaning given the term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(11) **SECRETARY.**—The term "Secretary" means the Secretary of Energy.

(c) **GOALS.**—The goals of the electric drive transportation technology program established under subsection (e) shall be to develop, in partnership with industry and institutions of higher education, projects that focus on—

(1) innovative electric drive technology developed in the United States;

(2) growth of employment in the United States in electric drive design and manufacturing;

(3) validation of the plug-in hybrid potential through fleet demonstrations; and

(4) acceleration of fuel cell commercialization through comprehensive development and commercialization of the electric drive technology systems that are the foundational technology of the fuel cell vehicle system.

(d) **ASSESSMENT.**—Not later than 120 days after the date of enactment of this Act, the Secretary shall offer to enter into an arrangement with the National Academy of Sciences—

(1) to conduct an assessment (in cooperation with industry, standards development organizations, and other entities, as appropriate), of state-of-the-art battery technologies with potential application for electric drive transportation;

(2) to identify knowledge gaps in the scientific and technological bases of battery manufacture and use;

(3) to identify fundamental research areas that would likely have a significant impact on the development of superior battery technologies for electric drive vehicle applications; and

(4) to recommend steps to the Secretary to accelerate the development of battery technologies for electric drive transportation.

(e) **PROGRAM.**—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(1) high-capacity, high-efficiency batteries;

(2) high-efficiency on-board and off-board charging components;

(3) high-powered drive train systems for passenger and commercial vehicles and for nonroad equipment;

(4) control system development and power train development and integration for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—

(A) development of efficient cooling systems;

(B) analysis and development of control systems that minimize the emissions profile when clean diesel engines are part of a plug-in hybrid drive system; and

(C) development of different control systems that optimize for different goals, including—

(i) battery life;
(ii) reduction of petroleum consumption; and
(iii) green house gas reduction;

(5) nanomaterial technology applied to both battery and fuel cell systems;

(6) large-scale demonstrations, testing, and evaluation of plug-in hybrid electric vehicles in different applications with different batteries and control systems, including—

(A) military applications;

(B) mass market passenger and light-duty truck applications;

(C) private fleet applications; and

(D) medium- and heavy-duty applications;

(7) a nationwide education strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for education offered by institutions of higher education that is focused on electric drive system and component engineering;

(8) development, in consultation with the Administrator of the Environmental Protection Agency, of procedures for testing and certification of criteria pollutants, fuel economy, and petroleum use for light-, medium-, and heavy-duty vehicle applications, including consideration of—

(A) the vehicle and fuel as a system, not just an engine; and

(B) nightly off-board charging; and

(9) advancement of battery and corded electric transportation technologies in mobile source applications by—

(A) improvement in battery, drive train, and control system technologies; and

(B) working with industry and the Administrator of the Environmental Protection Agency—

(i) to understand and inventory markets; and

(ii) to identify and implement methods of removing barriers for existing and emerging applications.

(f) **ADVANCED BATTERY INITIATIVE.**—

(1) **IN GENERAL.**—The Secretary shall establish and carry out an Advanced Battery Initiative in accordance with this subsection to support research, development, demonstration, and commercial application of battery technologies.

(2) **INDUSTRY ALLIANCE.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms, the primary business of which is the manufacturing of batteries.

(3) **RESEARCH.**—

(A) **GRANTS.**—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(i) researchers, including Industry Alliance participants;

(ii) small businesses;

(iii) National Laboratories; and

(iv) institutions of higher education.

(B) **INDUSTRY ALLIANCE.**—The Secretary shall annually solicit from the Industry Alliance—

(i) comments to identify advanced battery technology needs relevant to electric drive technology;

(ii) an assessment of the progress of research activities of the Initiative; and

(iii) assistance in annually updating advanced battery technology roadmaps.

(4) **AVAILABILITY TO THE PUBLIC.**—The information and roadmaps developed under this subsection shall be available to the public.

(5) **PREFERENCE.**—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(g) **COST SHARING.**—In carrying out this section, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352).

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$300,000,000 for each of fiscal years 2007 through 2012.

Subtitle F—Strategic Petroleum Reserve

SEC. 8601. STRATEGIC PETROLEUM RESERVE.

(a) **FINDINGS.**—The Senate finds that—

(1) the Strategic Petroleum Reserve, as established by the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), provides the United States with an emergency crude oil supply reserve that ensures that a disruption in commercial oil supplies will not threaten the United States economy;

(2) the Energy Policy Act of 2005 (42 U.S.C. 15801 et seq.) strengthened the Strategic Petroleum Reserve by authorizing a capacity of 1,000,000,000 barrels of crude oil;

(3) as of the date of enactment of this Act, the inventory in the Strategic Petroleum Reserve is sufficiently large enough to guard against supply disruptions during the time period for the temporary cessation of deposits described in subsection (b)(1); and

(4) the cessation of deposits to the Strategic Petroleum Reserve will add approximately 2,000,000 barrels of crude oil supply into the market.

(b) **SENSE OF THE SENATE.**—It is the sense of the Senate that—

(1) consistent with the authority granted under the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), the Secretary of Energy should cease deposits to the Strategic Petroleum Reserve for a period of not less than 6 months;

(2) the Secretary of Energy should continue to work toward establishing the infrastructure necessary to achieve the 1,000,000,000 barrels of crude oil capacity authorized under the Energy Policy Act of 2005 (42 U.S.C. 15801 et seq.); and

(3) after the temporary cessation of deposits to the Strategic Petroleum Reserve, the Secretary of Energy should continue to increase the inventory of crude oil in the Strategic Petroleum Reserve to work toward meeting the authorized capacity level to enhance the energy security of the United States.

Subtitle G—Arctic Coastal Plain Domestic Energy

SEC. 8701. SHORT TITLE.

This subtitle may be cited as the "Arctic Coastal Plain Domestic Energy Security Act of 2006".

SEC. 8702. DEFINITIONS.

In this subtitle:

(1) **COASTAL PLAIN.**—The term "Coastal Plain" means that area identified as such in

the map entitled "Arctic National Wildlife Refuge", dated August 1980, as referenced in section 1002(b) of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142(b)(1)), comprising approximately 1,549,000 acres, and as described in appendix I to part 37 of title 50, Code of Federal Regulations.

(2) SECRETARY.—The term "Secretary", except as otherwise provided, means the Secretary of the Interior or the Secretary's designee.

SEC. 8703. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

(a) IN GENERAL.—The Secretary shall take such actions as are necessary—

(1) to establish and implement in accordance with this Act a competitive oil and gas leasing program under the Mineral Leasing Act (30 U.S.C. 181 et seq.) that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain; and

(2) to administer the provisions of this subtitle through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, and including, in furtherance of this goal, by requiring the application of the best commercially available technology for oil and gas exploration, development, and production to all exploration, development, and production operations under this subtitle in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased.

(b) REPEAL.—Section 1003 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.

(c) COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN OTHER LAWS.—

(1) COMPATIBILITY.—For purposes of the National Wildlife Refuge System Administration Act of 1966, the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and that no further findings or decisions are required to implement this determination.

(2) ADEQUACY OF THE DEPARTMENT OF THE INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT.—The "Final Legislative Environmental Impact Statement" (April 1987) on the Coastal Plain prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to actions authorized to be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this subtitle before the conduct of the first lease sale.

(3) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.—Before conducting the first lease sale under this subtitle, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this subtitle that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall only identify a preferred action for such leasing and a single leasing alter-

native, and analyze the environmental effects and potential mitigation measures for those two alternatives. The identification of the preferred action and related analysis for the first lease sale under this subtitle shall be completed within 18 months after the date of the enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary's preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph is deemed to satisfy all requirements for the analysis and consideration of the environmental effects of proposed leasing under this subtitle.

(d) RELATIONSHIP TO STATE AND LOCAL AUTHORITY.—Nothing in this subtitle shall be considered to expand or limit State and local regulatory authority.

(e) SPECIAL AREAS.—

(1) IN GENERAL.—The Secretary, after consultation with the State of Alaska, the city of Kaktovik, and the North Slope Borough, may designate up to a total of 45,000 acres of the Coastal Plain as a Special Area if the Secretary determines that the Special Area is of such unique character and interest so as to require special management and regulatory protection. The Secretary shall designate as such a Special Area the Sadlerochit Spring area, comprising approximately 4,000 acres as depicted on such map as shall be identified by the Secretary.

(2) MANAGEMENT.—Each such Special Area shall be managed so as to protect and preserve the area's unique and diverse character including its fish, wildlife, and subsistence resource values.

(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY.—The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of oil and gas exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(4) DIRECTIONAL DRILLING.—Notwithstanding the other provisions of this subsection, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases located outside the area.

(f) LIMITATION ON CLOSED AREAS.—The Secretary's sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is that set forth in this subtitle.

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall prescribe such regulations as may be necessary to carry out this subtitle, including rules and regulations relating to protection of the fish and wildlife, their habitat, subsistence resources, and environment of the Coastal Plain, by no later than 15 months after the date of the enactment of this Act.

(2) REVISION OF REGULATIONS.—The Secretary shall periodically review and, if appropriate, revise the rules and regulations issued under subsection (a) to reflect any significant biological, environmental, or engineering data that come to the Secretary's attention.

SEC. 8704. LEASE SALES.

(a) IN GENERAL.—Lands may be leased pursuant to this subtitle to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) PROCEDURES.—The Secretary shall, by regulation, establish procedures for—

(1) receipt and consideration of sealed nominations for any area in the Coastal Plain for inclusion in, or exclusion (as provided in subsection (c)) from, a lease sale;

(2) the holding of lease sales after such nomination process; and

(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

(c) LEASE SALE BIDS.—Bidding for leases under this subtitle shall be by sealed competitive cash bonus bids.

(d) ACREAGE MINIMUM IN FIRST SALE.—In the first lease sale under this subtitle, the Secretary shall offer for lease those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

(e) TIMING OF LEASE SALES.—The Secretary shall—

(1) conduct the first lease sale under this subtitle within 22 months after the date of the enactment of this Act; and

(2) conduct additional sales so long as sufficient interest in development exists to warrant, in the Secretary's judgment, the conduct of such sales.

SEC. 8705. GRANT OF LEASES BY THE SECRETARY.

(a) IN GENERAL.—The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted pursuant to section 8704 any lands to be leased on the Coastal Plain upon payment by the lessee of such bonus as may be accepted by the Secretary.

(b) SUBSEQUENT TRANSFERS.—No lease issued under this subtitle may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consult with, and give due consideration to the views of, the Attorney General.

SEC. 8706. LEASE TERMS AND CONDITIONS.

(a) IN GENERAL.—An oil or gas lease issued pursuant to this subtitle shall—

(1) provide for the payment of a royalty of not less than 12½ percent in amount or value of the production removed or sold from the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and other species of fish and wildlife;

(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted under the lease and within the Coastal Plain by the lessee or by any of the subcontractors or agents of the lessee;

(4) provide that the lessee may not delegate or convey, by contract or otherwise, the reclamation responsibility and liability to another person without the express written approval of the Secretary;

(5) provide that the standard of reclamation for lands required to be reclaimed under this subtitle shall be, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as approved by the Secretary;

(6) contain terms and conditions relating to protection of fish and wildlife, their habitat, and the environment as required pursuant to section 8703(a)(2);

(7) provide that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obligation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for

the Operation of the Trans-Alaska Pipeline, of employment and contracting for Alaska Natives and Alaska Native Corporations from throughout the State;

(8) prohibit the export of oil produced under the lease; and

(9) contain such other provisions as the Secretary determines necessary to ensure compliance with the provisions of this subtitle and the regulations issued under this subtitle.

(b) **PROJECT LABOR AGREEMENTS.**—The Secretary, as a term and condition of each lease under this subtitle and in recognizing the Government's proprietary interest in labor stability and in the ability of construction labor and management to meet the particular needs and conditions of projects to be developed under the leases issued pursuant to this subtitle and the special concerns of the parties to such leases, shall require that the lessee and its agents and contractors negotiate to obtain a project labor agreement for the employment of laborers and mechanics on production, maintenance, and construction under the lease.

SEC. 8707. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) **NO SIGNIFICANT ADVERSE EFFECT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.**—The Secretary shall, consistent with the requirements of section 8703, administer the provisions of this subtitle through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that—

(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

(2) require the application of the best commercially available technology for oil and gas exploration, development, and production on all new exploration, development, and production operations; and

(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for support of pipelines, does not exceed 2,000 acres on the Coastal Plain.

(b) **SITE-SPECIFIC ASSESSMENT AND MITIGATION.**—The Secretary shall also require, with respect to any proposed drilling and related activities, that—

(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect identified under paragraph (1); and

(3) the development of the plan shall occur after consultation with the agency or agencies having jurisdiction over matters mitigated by the plan.

(c) **REGULATIONS TO PROTECT COASTAL PLAIN FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS, AND THE ENVIRONMENT.**—Before implementing the leasing program authorized by this subtitle, the Secretary shall prepare and promulgate regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure that the activities undertaken on the Coastal Plain under this subtitle are conducted in a manner consistent with the purposes and environmental requirements of this subtitle.

(d) **COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND OTHER REQUIREMENTS.**—The proposed regulations, lease terms, conditions, restrictions, prohibitions, and stipulations for the leasing program under this subtitle shall require compliance with all applicable provisions of Federal and

State environmental law and shall also require the following:

(1) Standards at least as effective as the safety and environmental mitigation measures set forth in items 1 through 29 at pages 167 through 169 of the "Final Legislative Environmental Impact Statement" (April 1987) on the Coastal Plain.

(2) Seasonal limitations on exploration, development, and related activities, where necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration.

(3) That exploration activities, except for surface geological studies, be limited to the period between approximately November 1 and May 1 each year and that exploration activities shall be supported by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods, except that such exploration activities may occur at other times, if the Secretary finds that such exploration will have no significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

(4) Design safety and construction standards for all pipelines and any access and service roads, that—

(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species such as caribou; and

(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

(5) Prohibitions on public access and use on all pipeline access and service roads.

(6) Stringent reclamation and rehabilitation requirements, consistent with the standards set forth in this subtitle, requiring the removal from the Coastal Plain of all oil and gas development and production facilities, structures, and equipment upon completion of oil and gas production operations, except that the Secretary may exempt from the requirements of this paragraph those facilities, structures, or equipment that the Secretary determines would assist in the management of the Arctic National Wildlife Refuge and that are donated to the United States for that purpose.

(7) Appropriate prohibitions or restrictions on access by all modes of transportation.

(8) Appropriate prohibitions or restrictions on sand and gravel extraction.

(9) Consolidation of facility siting.

(10) Appropriate prohibitions or restrictions on use of explosives.

(11) Avoidance, to the extent practicable, of springs, streams, and river system; the protection of natural surface drainage patterns, wetlands, and riparian habitats; and the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling.

(12) Avoidance or reduction of air traffic-related disturbance to fish and wildlife.

(13) Treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including an annual waste management report, a hazardous materials tracking system, and a prohibition on chlorinated solvents, in accordance with applicable Federal and State environmental law.

(14) Fuel storage and oil spill contingency planning.

(15) Research, monitoring, and reporting requirements.

(16) Field crew environmental briefings.

(17) Avoidance of significant adverse effects upon subsistence hunting, fishing, and trapping by subsistence users.

(18) Compliance with applicable air and water quality standards.

(19) Appropriate seasonal and safety zone designations around well sites, within which subsistence hunting and trapping shall be limited.

(20) Reasonable stipulations for protection of cultural and archeological resources.

(21) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

(e) **CONSIDERATIONS.**—In preparing and promulgating regulations, lease terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consider the following:

(1) The stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement.

(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

(3) The land use stipulations for exploratory drilling on the KIC-ASRC private lands that are set forth in Appendix 2 of the August 9, 1983, agreement between Arctic Slope Regional Corporation and the United States.

(f) **FACILITY CONSOLIDATION PLANNING.**—

(1) **IN GENERAL.**—The Secretary shall, after providing for public notice and comment, prepare and update periodically a plan to govern, guide, and direct the siting and construction of facilities for the exploration, development, production, and transportation of Coastal Plain oil and gas resources.

(2) **OBJECTIVES.**—The plan shall have the following objectives:

(A) Avoiding unnecessary duplication of facilities and activities.

(B) Encouraging consolidation of common facilities and activities.

(C) Locating or confining facilities and activities to areas that will minimize impact on fish and wildlife, their habitat, and the environment.

(D) Utilizing existing facilities wherever practicable.

(E) Enhancing compatibility between wildlife values and development activities.

(g) **ACCESS TO PUBLIC LANDS.**—The Secretary shall—

(1) manage public lands in the Coastal Plain subject to section subsections (a) and (b) of section 811 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3121); and

(2) ensure that local residents shall have reasonable access to public lands in the Coastal Plain for traditional uses.

SEC. 8708. EXPEDITED JUDICIAL REVIEW.

(a) **FILING OF COMPLAINT.**—

(1) **DEADLINE.**—Subject to paragraph (2), any complaint seeking judicial review of any provision of this subtitle or any action of the Secretary under this subtitle shall be filed in any appropriate district court of the United States—

(A) except as provided in subparagraph (B), within the 90-day period beginning on the date of the action being challenged; or

(B) in the case of a complaint based solely on grounds arising after such period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(2) **VENUE.**—Any complaint seeking judicial review of an action of the Secretary under this subtitle may be filed only in the United States Court of Appeals for the District of Columbia.

(3) **LIMITATION ON SCOPE OF CERTAIN REVIEW.**—Judicial review of a Secretarial decision to conduct a lease sale under this subtitle, including the environmental analysis

thereof, shall be limited to whether the Secretary has complied with the terms of this subtitle and shall be based upon the administrative record of that decision. The Secretary's identification of a preferred course of action to enable leasing to proceed and the Secretary's analysis of environmental effects under this subtitle shall be presumed to be correct unless shown otherwise by clear and convincing evidence to the contrary.

(b) **LIMITATION ON OTHER REVIEW.**—Actions of the Secretary with respect to which review could have been obtained under this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.

SEC. 8709. FEDERAL AND STATE DISTRIBUTION OF REVENUES.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, of the amount of adjusted bonus, rental, and royalty revenues from oil and gas leasing and operations authorized under this subtitle—

(1) 50 percent shall be paid to the State of Alaska; and

(2) except as provided in section 712(d), the balance shall be deposited into the Treasury as miscellaneous receipts.

(b) **PAYMENTS TO ALASKA.**—Payments to the State of Alaska under this section shall be made semiannually.

(c) **USE OF BONUS PAYMENTS FOR LOW-INCOME HOME ENERGY ASSISTANCE.**—Amounts that are received by the United States as bonuses for leases under this subtitle and deposited into the Treasury under subsection (a)(2) may be appropriated to the Secretary of the Health and Human Services, in addition to amounts otherwise available, to provide assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

SEC. 8710. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

(a) **EXEMPTION.**—Title XI of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3161 et seq.) shall not apply to the issuance by the Secretary under section 28 of the Mineral Leasing Act (30 U.S.C. 185) of rights-of-way and easements across the Coastal Plain for the transportation of oil and gas.

(b) **TERMS AND CONDITIONS.**—The Secretary shall include in any right-of-way or easement referred to in subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does not result in a significant adverse effect on the fish and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

(c) **REGULATIONS.**—The Secretary shall include in regulations under section 8703(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

SEC. 8711. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding the provisions of section 1302(h)(2) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey—

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the United States Fish

and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation effective January 22, 1993; and

(2) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

SEC. 8712. LOCAL GOVERNMENT IMPACT AID AND COMMUNITY SERVICE ASSISTANCE.

(a) **FINANCIAL ASSISTANCE AUTHORIZED.**—

(1) **IN GENERAL.**—The Secretary may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (d) to provide timely financial assistance to entities that are eligible under paragraph (2) and that are directly impacted by the exploration for or production of oil and gas on the Coastal Plain under this subtitle.

(2) **ELIGIBLE ENTITIES.**—The North Slope Borough, Kaktovik, and other boroughs, municipal subdivisions, villages, and any other community organized under Alaska State law shall be eligible for financial assistance under this section.

(b) **USE OF ASSISTANCE.**—Financial assistance under this section may be used only for—

(1) planning for mitigation of the potential effects of oil and gas exploration and development on environmental, social, cultural, recreational and subsistence values;

(2) implementing mitigation plans and maintaining mitigation projects;

(3) developing, carrying out, and maintaining projects and programs that provide new or expanded public facilities and services to address needs and problems associated with such effects, including firefighting, police, water, waste treatment, medivac, and medical services; and

(4) establishment of a coordination office, by the North Slope Borough, in the City of Kaktovik, which shall—

(A) coordinate with and advise developers on local conditions, impact, and history of the areas utilized for development; and

(B) provide to the Committee on Resources of the Senate and the Committee on Energy and Resources of the Senate an annual report on the status of coordination between developers and the communities affected by development.

(c) **APPLICATION.**—

(1) **IN GENERAL.**—Any community that is eligible for assistance under this section may submit an application for such assistance to the Secretary, in such form and under such procedures as the Secretary may prescribe by regulation.

(2) **NORTH SLOPE BOROUGH COMMUNITIES.**—A community located in the North Slope Borough may apply for assistance under this section either directly to the Secretary or through the North Slope Borough.

(3) **APPLICATION ASSISTANCE.**—The Secretary shall work closely with and assist the North Slope Borough and other communities eligible for assistance under this section in developing and submitting applications for assistance under this section.

(d) **ESTABLISHMENT OF FUND.**—

(1) **IN GENERAL.**—There is established in the Treasury the Coastal Plain Local Government Impact Aid Assistance Fund.

(2) **USE.**—Amounts in the fund may be used only for providing financial assistance under this section.

(3) **DEPOSITS.**—Subject to paragraph (4), there shall be deposited into the fund amounts received by the United States as revenues derived from rents, bonuses, and royalties under on leases and lease sales authorized under this subtitle.

(4) **LIMITATION ON DEPOSITS.**—The total amount in the fund may not exceed \$11,000,000.

(5) **INVESTMENT OF BALANCES.**—The Secretary of the Treasury shall invest amounts in the fund in interest bearing government securities.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—To provide financial assistance under this section there is authorized to be appropriated to the Secretary from the Coastal Plain Local Government Impact Aid Assistance Fund \$5,000,000 for each fiscal year.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 4, 2006 at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to consider the nomination of: Dirk Kempthorne, of Idaho, to be Secretary of the Interior, vice Gale Norton, resigned.

For further information, please contact Judy Pensabene of the Committee staff.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to conduct a full committee hearing during the session of the Senate on Wednesday, April 26, 2006 at 10 a.m., in SD-106, Dirksen Senate Office Building. The purpose of this hearing will be to review the state of the biofuels industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GLOBAL CLIMATE

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Subcommittee on Global Climate be authorized to meet on Wednesday, April 26, 2006, at 2:30 p.m., on Marine and Terrestrial Systems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TECHNOLOGY

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Senate Committee on Commerce Science and Transportation's Subcommittee on Technology be authorized to meet on Wednesday, April 26, 2006, at 10 a.m., on Fostering Innovation in Math and Science Education.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the